

**STATE OF CALIFORNIA  
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
DEPARTMENT OF BUSINESS OVERSIGHT**

TO: Pacific Management Group, Inc. d.b.a Grupo Pacifico GPAC, SA08-13  
Pacific Teak Reforestation Project  
Pacific Teak  
Ronald Kevin Fleming

825 College Blvd. Suite 102  
Oceanside, CA 92057

1309 Toulon St.  
Oceanside, CA 92057

Elite Associates Ltd. PMG  
1093 East Main Street, Suite 284  
El Cajon, CA 92021

**DESIST AND REFRAIN ORDER**

**(For violations of sections 25110 and 25401 of the Corporations Code)**

The Commissioner of Business Oversight finds that:

1. At all relevant times, Pacific Management Group, Inc. d.b.a Grupo Pacifico GPAC, SA08-13, Pacific Teak Reforestation Project, and Pacific Teak (collectively “PMG”) maintained addresses at: 825 College Blvd., Suite 102, Oceanside, California 92057; and 1309 Toulon St. Oceanside, California 92057. PMG operated and maintained an internet website located at [www.pacificteak.com](http://www.pacificteak.com).

2. At all relevant times, Ronald Kevin Fleming (“Fleming”) was the PMG founder, CEO, and Chairman of the Board.

3. At all relevant times, Elite Associates Ltd. PMG (“Elite”) maintained an address at 1093 East Main Street, Suite 284, El Cajon, California 92021. Elite accepted investment funds on behalf of PMG and is PMG’s authorized agent.

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1           4.       PMG solicited investors to purchase parcels of teak trees throughout Costa Rica.  
2 PMG plants and manages the teak trees to maturity for final harvest. At the final harvest, PMG  
3 contracts services to convert the teak trees to saleable logs. Afterwards, PMG sells the timber in  
4 wholesale teak markets.

5           5.       According to the investment contract, investors receive the profits minus PMG's  
6 management and selling fees. In exchange for investment funds, PMG provide investors with an  
7 investment contract titled "Teak Tree Purchase Agreement." The investment contract describes how  
8 PMG supervises all aspects of the teak tree: the planting, the harvesting, and the selling of timber to  
9 teak wholesalers.

10          6.       Beginning on or about September 2009, PMG, Elite, and Fleming offered and sold  
11 securities to investors in the form of investment contracts to at least one California resident. PMG,  
12 Elite, and Fleming claimed their investment opportunity in teak trees was a lucrative, low-risk asset  
13 with exceptional profits.

14          7.       These securities were offered and sold by PMG, Elite, and Fleming in this state in  
15 issuer transactions. The Department of Business Oversight has not issued a permit or other form of  
16 qualification authorizing any person to offer and sell these securities in this state.

17          8.       In connection with the offer and sale of these securities, PMG, Elite, and Fleming  
18 made, or cause to be made, misrepresentations of material fact or omitted to state material facts  
19 necessary in order to make the statements made, in the light of the circumstances under which they  
20 were made, not misleading. These misrepresentations and omissions included, but are not limited to  
21 the following:

22               (a)       PMG, Elite, and Fleming misrepresented to investors that PMG will record a  
23 "Timber Deed" with the names and locations of each tree owned by an investor. After recording the  
24 "Timber Deed," PMG will send the original deed to each investor to show that investor's tree  
25 registration within PMG's teak plantation. PMG, Elite, and Fleming failed to send the original  
26 "Timber Deeds" to investors and did not provide investors any proof of their tree registration or  
27 ownership.

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1 (b) PMG, Elite, and Fleming misrepresented to investors that PMG will promptly  
2 remit to investors the net proceeds from timber sales, deducting PMG's management and processing  
3 costs according to the "Teak Tree Purchase Agreement." PMG never gave investors the profits  
4 promised at the end of the term listed in their "Teak Tree Purchase Agreements."

5 (c) PMG, Elite, and Fleming misrepresented that investors would receive  
6 substantial profits upon the completion of the Teak Reforestation Project in Costa Rica. Fleming  
7 provided investors with the "Teak Forecaster," which provided an estimated profit margin up to 11%  
8 based on the teak tree's growth and timber value. Investors never received any profits or any returns  
9 as represented by the "Teak Forecaster."

10 (c) PMG, Elite, and Fleming misrepresented to investors this investment  
11 opportunity was low-risk and that each investor's asset value would increase each year regardless of  
12 stock market or gold volatility. However, investors never received any value for their trees and  
13 instead, lost money from this venture.

14 (d) At the time of the offer and sale of the securities, PMG, Elite, and Fleming  
15 failed to disclose to investors that Fleming had an outstanding state tax lien filed against him on April  
16 5, 1994, in San Diego, California. The California state tax lien currently remains outstanding against  
17 Fleming.

18 Based on the foregoing findings, the Commissioner of Business Oversight is of the opinion  
19 that the securities in the form of investment contracts in Pacific Management Group, Inc. d.b.a Grupo  
20 Pacifico GPAC, SA08-13, Pacific Teak Reforestation Project, and Pacific Teak are securities subject  
21 to qualification under the California Corporate Securities Law of 1968 and are being or have been  
22 offered and sold without being qualified, in violation of Section 25110 of the Corporate Securities  
23 Law of 1968.

24 Pursuant to Section 25532 of the Corporate Securities Law of 1968, are hereby ordered to  
25 desist and refrain from the further offer or sale in the State of California of securities, including but  
26 not limited to, the number of teak trees, consisting of investment contracts, unless and until  
27 qualification has been made under this law or unless exempt.  
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Further, the Commissioner of Business Oversight is of the opinion that the securities offered by Pacific Management Group, Inc. d.b.a Grupo Pacifico GPAC, SA08-13, Pacific Teak Reforestation Project, Pacific Teak, Elite Associates Ltd. PMG, and Ronald Kevin Fleming were offered in this state by means of written or oral communications that included untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of Section 25401 of the Corporate Securities Law of 1968.

Pursuant to Section 25532 of the Corporate Securities Law of 1968, Pacific Management Group, Inc. d.b.a Grupo Pacifico GPAC, SA08-13, Pacific Teak Reforestation Project, Pacific Teak, Elite Associates Ltd. PMG, and Ronald Kevin Fleming, are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security in the State of California, including but not limited to, investment contracts in Pacific Management Group, Inc. d.b.a Grupo Pacifico GPAC, SA08-13, Pacific Teak Reforestation Project, Pacific Teak, and Elite Associates Ltd. PMG, by means of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: October 4, 2016  
Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By: \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division